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7 Attorneys for Defendants and Cross-Complainants
Green Dot Corporation and
8 Next Estate Communications, Inc.

9
10 **UNITED STATES DISTRICT COURT**
CENTRAL DISTRICT OF CALIFORNIA
11

12
13 ALEXSAM, INC.,

14 Plaintiff,

15 v.

16 GREEN DOT CORPORATION,
17 NEXT ESTATE COMMUNICATIONS,
INC., and DOES 1-10,

18 Defendants.
19

20 GREEN DOT CORPORATION, and
21 NEXT ESTATE COMMUNICATIONS,
INC.,

22 Cross-Complainants,

23 v.

24 ALEXSAM, INC.,

Cross-Defendant.
25
26
27
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Case No. 2:15-cv-05742

(Los Angeles Superior Court Case No.
BC 585032)

**NOTICE OF REMOVAL OF
STATE COURT ACTION UNDER
28 U.S.C. §§ 1331, 1338, 1441, & 1454
(FEDERAL QUESTION,
PATENTS)**

**TO THE CLERK OF THE ABOVE-ENTITLED COURT AND TO
ALL PARTIES AND THEIR ATTORNEYS OF RECORD:**

PLEASE TAKE NOTICE that Green Dot Corporation (“Green Dot”) and Next Estate Communications, Inc. (collectively, “Removing Defendants”) remove the state court action described below from the Superior Court of the State of California for Los Angeles County to the United States District Court for the Central District of California.

I. Background

1. On June 12, 2015, Plaintiff Alexsam, Inc. (“Alexsam”) filed an action in the Superior Court of the State of California, Los Angeles County, bearing the above caption and assigned the above-listed case number (“State Court Action”).

2. Alexsam purported to serve Removing Defendants with the Complaint on June 30, 2015, which is attached hereto as Exhibit A.

3. The State Court Action is couched so as to be limited to contractual issues related to a Settlement and License Agreement entered between Alexsam and an entity then known as Next Estate Communications, Inc., which through a name change is now known as Green Dot Corporation, one of the named Defendants here. (The other named defendant here, also named Next Estate Communications, Inc., is an entity distinct from that which entered the referenced Agreement). Unavoidably, however, in its State Court Complaint Alexsam tacitly acknowledges that its claims are tied directly to two patents it is said to own: U.S. Patent No. 6,000,608, entitled “Multifunction Card System” and U.S. Patent No. 6,189,787, entitled “Multifunctional Card System.” It is apparent from a review of the Complaint that resolution of Alexsam’s claims in the State Court Action is heavily dependent upon consideration of patent issues such as patent claim coverage, prosecution history estoppel, and patent claim invalidity, such that a federal question is presented on the face of the Complaint.

4. Moreover, on July 29, 2015, Removing Defendants filed an Answer to Alexsam’s Complaint in the State Court Action, along with affirmative defenses which

1 include that Removing Defendants and the initial Next Estate have not practiced
 2 and/or have not infringed any of the claims of the two Alexsam patents; that the
 3 patents are invalid (as recently adjudged by the U.S. Court of Appeals for the Federal
 4 Circuit, and for other reasons as well); and that Alexsam is estopped from expanding
 5 the patent claims beyond permissible bounds, given statements made by the named
 6 inventor to the U.S. Patent and Trademark Office during patent prosecution. (Exhibit
 7 B hereto.) Also on July 29, 2015, Removing Defendants filed a Cross-Complaint
 8 seeking declaration judgment of: (a) Non-Practice/Non-Infringement of Patents; (b)
 9 Invalidity of Patents; and (c) No Breach of Agreement. (Exhibit C hereto.) A review
 10 of the Cross-Complaint reveals an abundance of patent law-related issues and
 11 allegations.

12 5. Both the Answer and Cross-Complaint were filed with an explicit
 13 reservation of the right to remove the dispute to federal court pursuant to 28 U.S.C. §
 14 1454 and other applicable authority. (Ex. B at 1:1-4; Ex. C at 1:21-25.)

15 **II. Basis for Removal: Federal Question Jurisdiction**

16 7. This is a civil action of which this Court has original jurisdiction under 28
 17 U.S.C. §§ 1331 and 1338(a), and which may be removed to this Court pursuant to 28
 18 U.S.C. §§ 1441(a) and 1454.

19 8. Federal question jurisdiction is available in actions involving state law
 20 claims, where those claims necessarily involve the resolution of underlying disputed
 21 questions of federal law. *See generally, Grable & Sons Metal Prods. v. Darue Eng'g & Mfg.*,
 22 545 U.S. 308, 315-16 (2005) (affirming federal question jurisdiction over state quiet-
 23 title action based on need to resolve predicate issue under federal Internal Revenue
 24 Code); *California ex rel. Lockyer v. Dynegy, Inc.*, 375 F.3d 831, 841 (9th Cir. 2004) (federal
 25 question removal jurisdiction proper where state lawsuit turns upon defendant's
 26 compliance with a federal regulation).

27 9. In the State Court Action, Removing Defendants have asserted claims
 28 for relief and affirmative defenses arising under an Act of Congress relating to patents,

1 and removal to this district and division is authorized by at least 28 U.S.C. § 1454,
 2 which, as part of the Leahy-Smith America Invents Act (Pub. L. No. 112-29, §
 3 19(c)(1), 125 Stat. 332 (2011)), also known as the “Holmes Group Fix” (H.R. Rep. No.
 4 112-98, at 81 (2011)), allows patent law counterclaims to serve as a basis for removal
 5 to federal court (effectively nullifying *Holmes Group v. Vernado Circulation Systems, Inc.*,
 6 535 U.S. 826, 153 L. Ed. 2d 13, 122 S. Ct. 1893 (2002)). Further, the contents of the
 7 Complaint (Ex. A) reveal that the causes of action asserted by Alessam therein center
 8 on matters heavily implicating, and arising under, the patent laws.

9 10. This Court also has supplemental jurisdiction over any state law claims
 10 that are deemed not to arise under the patent laws. To the extent any such claims can
 11 be considered distinct from the Plaintiff’s patent-law related claims, they arise under
 12 the same operative facts as such claims, and under the same operative facts as the
 13 Answer, affirmative defenses and Cross-Complaint of Removing Defendants. Thus,
 14 any such claims are related and form a part of the same case and controversy pursuant
 15 to 28 U.S.C. § 1367(a).

16 **III. Procedural Compliance**

17 11. As noted, Alessam purported to serve Removing Defendants with the
 18 Complaint on June 30, 2015. Assuming for purposes of this notice that service was
 19 sufficient, this Notice of Removal is timely filed within thirty days of June 30, 2015.

20 12. The State Court Action was pending before the Superior Court for Los
 21 Angeles County. Because this Court is the United States District Court for the district
 22 and division embracing the place where the original action was filed, it is the
 23 appropriate Court for removal under 28 U.S.C. § 1446.

24 13. Pursuant to 28 U.S.C. § 1446(a), attached are (redacted) copies of all
 25 process, pleadings, and orders served upon Removing Defendants; a motion to file
 26 unredacted copies under seal will be filed separately. A copy of this notice has been
 27 served on Alessam and will be filed with the Clerk of the Superior Court for Los
 28 Angeles County.

1 14. Both of the Removing Defendants consent to seeking removal, as
2 evidenced by participation in this Notice. The remaining defendants, Does 1 through
3 10, remain unidentified, and their consent is not required or feasible.

4 **IV. Conclusion**

5 16. Removing Defendants respectfully request that the above-described State
6 Court Action be removed from the Court in which it was filed to the United States
7 District Court for the Central District of California, and request further that this
8 Honorable Court issue all necessary orders and process and grant such other and
9 further relief in law and justice as to which Removing Defendants may be entitled.

10 Dated: July 29, 2015

Respectfully submitted,

11
12 Alfred Shaumyan
 Nancy Franco
13 **BRYAN CAVE LLP**

14 By: /s/ Alfred Shaumyan
 Alfred Shaumyan
15 Attorneys for Removing Defendants and
16 Cross-Complainants
17 Green Dot Corporation and
 Next Estate Communications, Inc.

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120 BROADWAY, SUITE 300
SANTA MONICA, CA 90401-2386

1 **PROOF OF SERVICE**

2 I am employed in the County of Los Angeles, State of California. I am over the age of 18
3 and not a party to the within action. My business address is 120 Broadway, Suite 300, Santa
4 Monica, California 90401-2386.

5 On July 29, 2015, I served the foregoing document, described as **NOTICE OF
6 REMOVAL OF STATE COURT ACTION UNDER 28 U.S.C. §§ 1331, 1338, 1441, & 1454
7 (FEDERAL QUESTION, PATENTS)**, on each interested party in this action, as follows:

8 Steven W. Ritcheson, Esq.
9 Heninger Garrison Davis, LLC
10 9800 D. Topanga Canyon Blvd. #347
11 Chatsworth, CA 91311
12 Tel.: (818) 882-1030
13 Fax: (205) 326-3332
14 swritcheson@hgdllawfirm.com

*Attorneys for Plaintiff and Cross-
Defendant*

15 ☒ (VIA U.S. MAIL) I placed the original of the foregoing document in a sealed
16 envelope addressed to each interested party as set forth above. I placed each such envelope, with
17 postage thereon fully prepaid, for collection and mailing at Bryan Cave LLP, Santa Monica,
18 California. I am readily familiar with Bryan Cave LLP's practice for collection and processing of
19 correspondence for mailing with the United States Postal Service. Under that practice, the
20 correspondence would be deposited in the United States Postal Service on that same day in the
21 ordinary course of business.

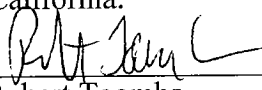
22 ☐ (BY OVERNIGHT CARRIER): I deposited in a box or other facility maintained
23 by FedEx, Overnite Express or other express carrier service, or delivered to a courier or driver
24 authorized by said express carrier service to receive documents, a true copy of the foregoing
25 document, in an envelope designated by said express service carrier, for overnight delivery, with
26 delivery fees paid or provided for.

27 ☐ (VIA FAX) I caused a true copy of the foregoing document to be served by
28 facsimile transmission from sending facsimile machine telephone number (310) 576-2200 to each
interested party at the facsimile number set forth above. Each transmission was reported as
complete and without error. A transmission report was properly issued by the sending facsimile
machine for each interested party served.

☒ (FEDERAL ONLY) I declare that I am employed in the office of a member of the
bar of this Court at whose direction the service was made.

I declare under penalty of perjury under the laws of the State of California that the
foregoing is true and correct.

Executed on July 29, 2015, at Santa Monica, California.


Robert Toombs

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